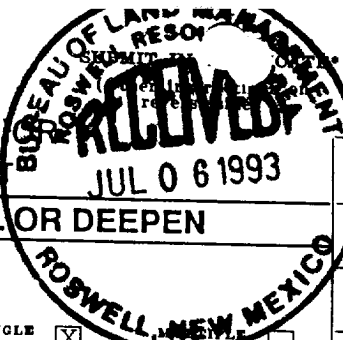


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



30-005-62977
Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK
DRILL ☒ DEEPEN ☐

2. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐

3. NAME OF OPERATOR
ELK OIL COMPANY ✓ Ph. 623-3190

4. ADDRESS AND TELEPHONE NO.
P.O. Box 310
Roswell, N.M. 88202

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
330' FSL, 330' FWL, Sec. 30-8S-28E
At proposed prod. zone Same (Unit M) (SWSW)

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
9 miles southwest of Elkins, N.M.

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
330'

8. NO. OF ACRES IN LEASE
1354.89

9. NO. OF ACRES ASSIGNED TO THIS WELL
38.82

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
None

11. PROPOSED DEPTH
2400' San Andres

12. ROTARY OR CABLE TOOLS
Cable Tools

13. ELEVATIONS (Show whether DF, RT, GR, etc.)
3945' GL

14. APPROX. DATE WORK WILL START*
As Soon As Possible

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.0# ST&C	400'±	275 sx± (Circulate)
7-7/8"	4-1/2"	10.5# ST&C	2400'±	200 sx± sufficient to isolate porous zones

Propose to drill to 2400'± with cable tools to test San Andres.

Cement 400' of 8-5/8" surface casing to protect fresh water.

Cement 4-1/2" production casing thru producing zone and selectively perforate and stimulate.

Run 2" tubing - swab and flow to test tank.

Construct lease battery, including production equipment and storage tanks, on the well pad.

Fill pits and clean location after well completion.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Jerry W. Long TITLE Permit Agent DATE July 6, 1993
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Sandra L Allen TITLE Area Manager DATE 7/30/93

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator ELK OIL			Lease MOHR FEDERAL		Well No. #1
Unit Letter M	Section 30	Township 8S.	Range 28E.	County CHAVES	
Actual Footage Location of Well: 330 feet from the SOUTH line and 330 feet from the WEST line					
Ground level Elev. 3945	Producing Formation San Andres		Pool Wildcat	Dedicated Acreage: 38.82 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

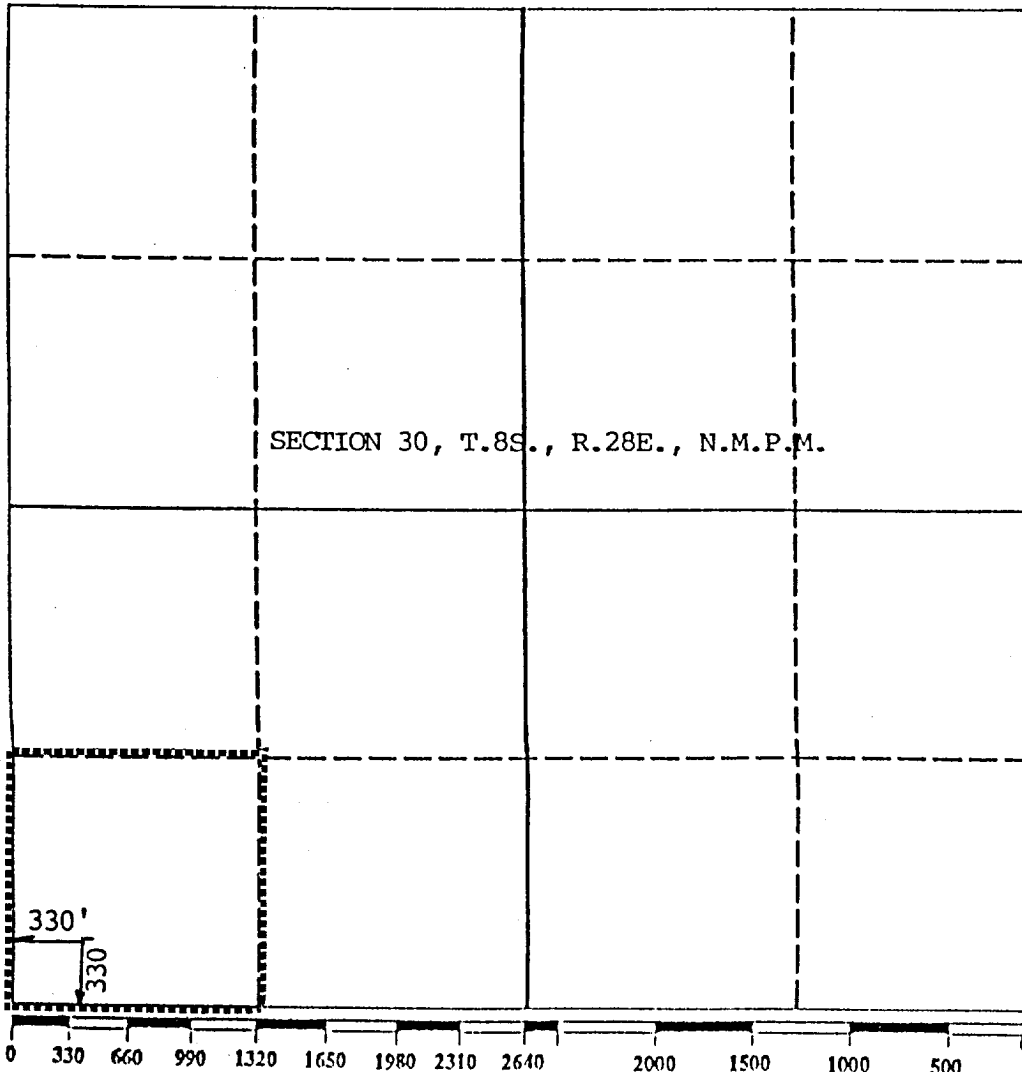
Single Lease

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation NA

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Jerry W. Long
Printed Name
JERRY W. LONG
Position
Permit Agent
Company
ELK OIL COMPANY
Date
July 6, 1993

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
6/28/93
Signature & Seal of Professional Surveyor
D. Jaques
Certificate No.
6290
MOHR-1



SUPPLEMENTAL DRILLING DATA

ELK OIL COMPANY
No.1 Mohr Federal
SWSW Sec.30-8S-28E
Chaves County, N.M.
Federal Lease NM-78241

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

1. SURFACE FORMATION: Upper Permian

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yates	510'	Queen	1110'
Seven Rivers	900'	San Andres	1645'

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

0 - 200': Surface water

2250' - TD: Oil, gas or water

4. PROPOSED CASING PROGRAM:

8-5/8" Casing - 400' of 24#, K-55, ST&C
Cemented with 275 sx Class "C",
circulated to surface. Test to 600 Psi.

4-1/2" Casing - 2400' of 10.5#, K-55, ST&C
Cemented with 200 sx Halliburton Lite.
Test to 1000 Psi.

5. PRESSURE CONTROL EQUIPMENT: This well will be drilled with cable tools. A cable tool master valve will be installed after the 8-5/8" casing has been cemented.

6. CIRCULATING MEDIUM: None - well will be drilled with cable tools.

7. AUXILIARY EQUIPMENT: None



8. TESTING, LOGGING AND CORING PROGRAM:

Samples: 10' intervals from 500' to TD.

DST and Cores: None

Logging: GRN and Density logs will be run.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
None anticipated.

10. ANTICIPATED STARTING DATE: Drilling will commence as soon as approval is obtained. Drilling and completion operations should require about 30 days.



PERTINENT INFORMATION

For

ELK OIL COMPANY
No.1 Mohr Federal
SWSW Sec.30-8S-28E
Chaves County, N.M.
Federal Lease NM-78241

<u>LOCATED:</u>	9 air miles southwest of Elkins, New Mexico
<u>FEDERAL LEASE NUMBER:</u>	NM-78241
<u>LEASE ISSUED:</u>	December 1, 1988
<u>ACRES IN LEASE:</u>	1354.89 Ac.
<u>RECORD LESSEE:</u>	ELK OIL COMPANY
<u>BOND COVERAGE:</u>	\$25,000 State-wide Bond
<u>AUTHORITY TO OPERATE:</u>	Record Lessee
<u>SURFACE OWNERSHIP:</u>	Public
<u>GRAZING PERMITTEE:</u>	L & L CATTLE CO. Rt.1 Floyd, N.M. 88118 Ph.505-253-4377
<u>POOL RULES:</u>	General Statewide
<u>EXHIBITS:</u>	A. Well and Road Map B. Lease and Contour Map C. Rig Layout D. Cable Tool Master Valve Diagram



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

ELK OIL COMPANY
No.1 Mohr Federal
SWSW Sec.30-8S-28E
Chaves County, N.M.
Federal Lease NM-78241

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 9 air miles southwest of Elkins, New Mexico.
- B. Directions: From Roswell, N.M., go 25 miles northeast on Hwy 70 to the High Lonesome radio tower. Turn southeast on Ponderosa Road and go about 2 miles to railroad. After crossing railroad, turn northeast on field road and go about 2.5 miles. Go south about 2 miles to East Windmill. Go east 1.25 miles. Turn south on road to Elk Oil No.1 Mohr State well and go 0.75 mile. Elk No.1 Mohr Federal location is 330' east.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The new road will be about 230 feet long and 14' wide, with 6' shoulders to provide drainage. Access will be from Elk No.1 Mohr State lease road.
- B. Surfacing Material: Necessary caliche to surface the road and well pad will be obtained at the well site by opening a pit within the 400' square around the well.
- C. Maximum Grade: Less than 2%
- D. Turnouts: None necessary



E. Drainage Design: The road will be constructed with about 4" of crown and necessary water turnouts to provide drainage.

F. Culverts: None necessary

G. Cuts and Fills: The pad will require leveling of 2' sand dunes. No cuts or fills will be necessary.

H. Gates, Cattleguards: None

3. LOCATION OF EXISTING WELLS:

A. The nearest well is an abandoned producer in the SWNW Sec.31-8S-28E.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. If the well is commercial, production and storage facilities will be constructed on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. This well will be drilled with cable tools. Any necessary water will be trucked from a commercial source.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. In-site material will be used to surface the pad and road.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. All waste material will be collected in a suitable container and removed to an approved land fill within 30 days after well completion.

8. ANCILLARY FACILITIES:

A. A tank battery for this well and future wells will be constructed on the well pad.



9. WELL SITE LAYOUT:

- A. The well-site and 400' X 400' archaeological review area have been surveyed and flagged.
- B. Dimensions and relative location of the drill pad, pit and equipment are shown on EXHIBIT C.
- C. Top soil for rehabilitation of the location will be stock-piled at the edge of the pad.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. The unused disturbed area will be rehabilitated to Federal Agency requirements and will be accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The regional area slopes west toward the Pecos River, which is about 14 miles west of the drillsite. The drillsite is in a low dune area sloping slightly to the west.
- B. Soil: The soil is sandy with caliche and chert inclusions. Hard-packed sand and caliche is present below the blow-sand.
- C. Flora and Fauna: The flora includes mesquite, yucca, shinnery and various range grasses. Fauna would include birds, reptiles and rodents.
- D. Ponds or Streams: A stock tank is located about 1 mile east.
- E. Residences and Other Structures: There are no residences within 5 miles of this well. A windmill and water tank are located 1.5 miles northwest.
- F. Archaeological, Historical and Other Cultural Sites: Archaeology Survey Consultants, of Roswell, N.M., have made a survey of the wellsite and access road. No cultural conflicts were noted.



G. Land Use: The surface is semi-arid rangeland, used primarily for grazing.

H. Surface Ownership: The well pad and new road are on-lease Public surface.

2. OPERATOR'S REPRESENTATIVE:

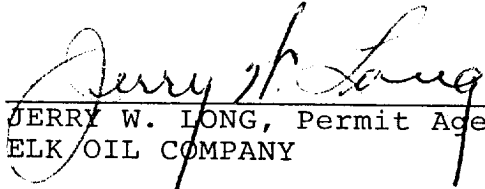
Representative responsible for assuring compliance with the approved Surface Use Plan:

Mr. Joseph Kelly
P.O. Box 310
Roswell, New Mexico 88202
Phone 505-623-3190

13. CERTIFICATION:

I hereby certify that I, or person under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with the operations proposed herein will be performed by ELK OIL COMPANY and its sub-contractors in conformity with this plan and the terms and condition under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

July 6, 1993
Date:


JERRY W. LONG, Permit Agent for:
ELK OIL COMPANY



ELK OIL COMPANY
No.1 Mohr Federal
SWSW Sec.30-8S-28E
Chaves County, N.M.

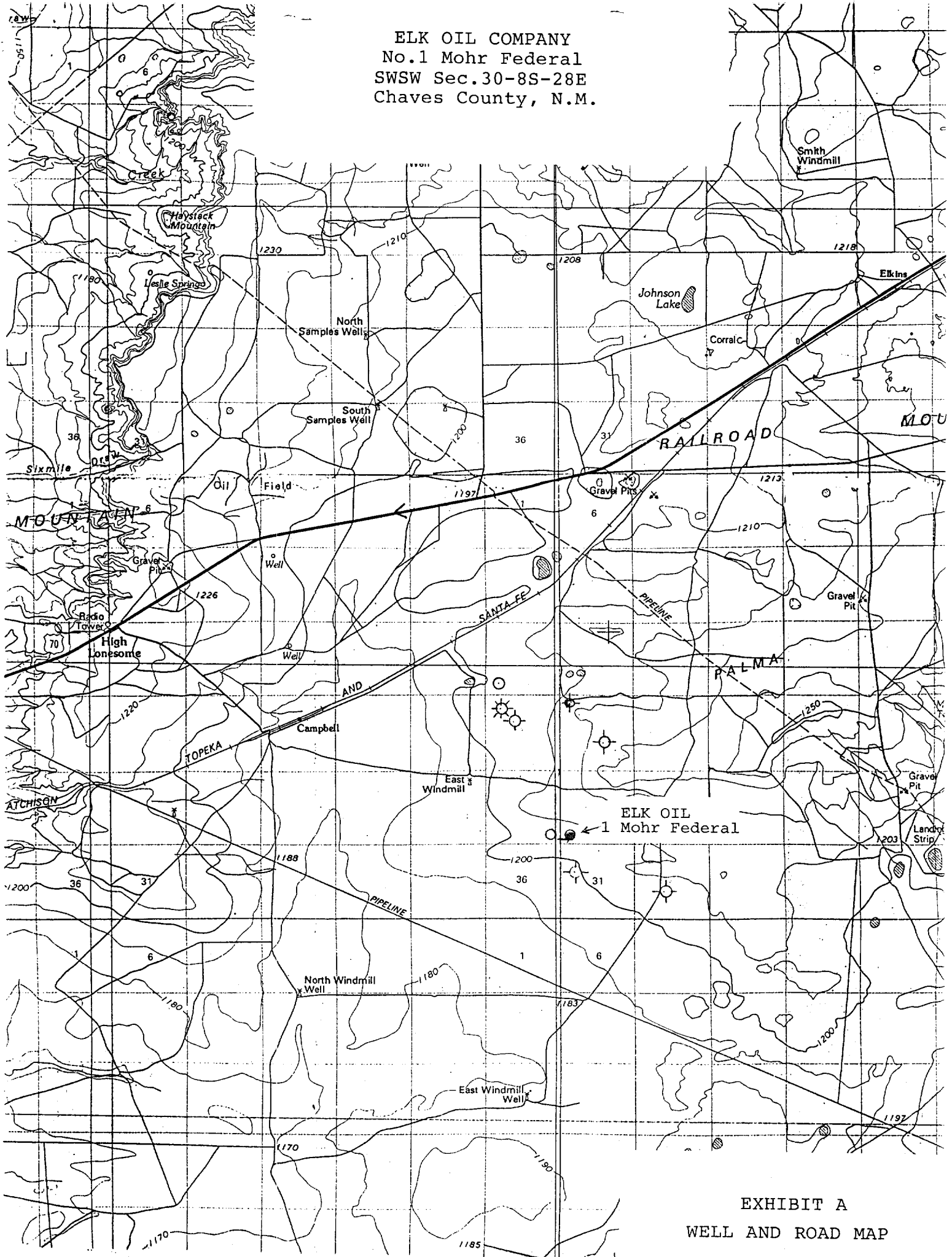


EXHIBIT A
WELL AND ROAD MAP



577 10'

R. 28 E. 104°07'30" 33°37'00"

3950 3976x 4000 18 3720

Ponderosa Road 14 2 Mi.

BM 3908

RAULT

BHP 1 Puffer State

3951

23 24 3950

3900

3919

East Windmill

26 25 State 3920

3977

Existing Road

ELK OIL 1 Mohr State

ELK OIL 1 Mohr Federal

New Road

3928

x 3936

x 3943

3950

35 36

3970 3719 3717 35° 3715

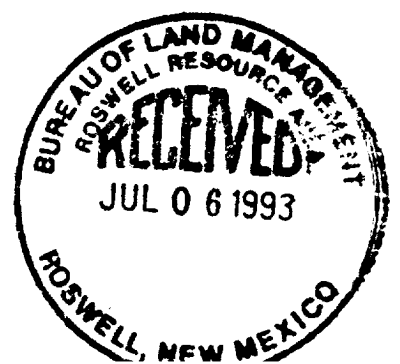
4013

19 30 NM 78241

EXHIBIT B

LEASE AND CONTOUR MAP

EXHIBIT B
LEASE AND CONTOUR MAP



ELK OIL COMPANY
No.1 Mohr Federal
SWSW Sec.30-8S-28E
Chaves County, N.M.

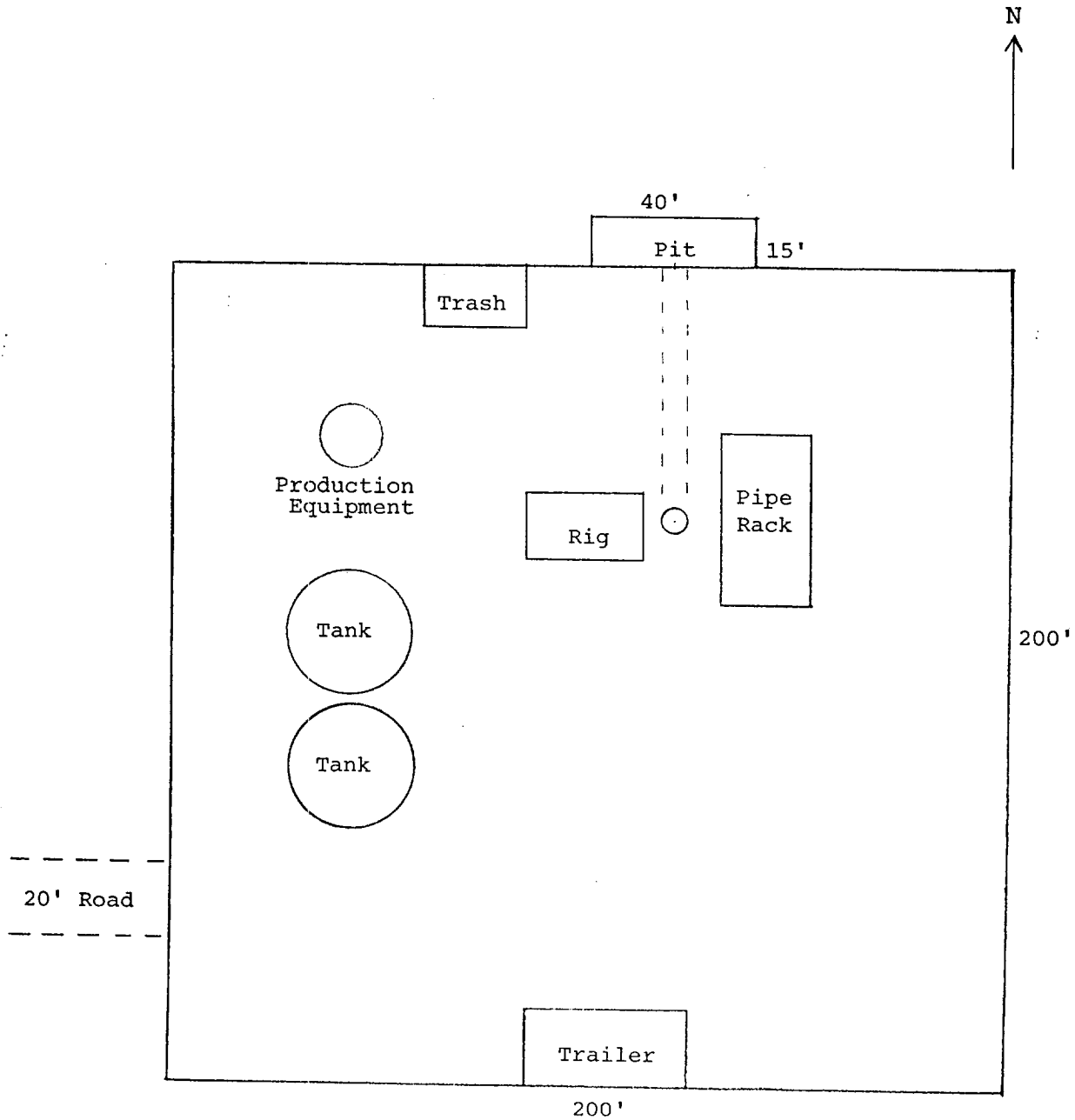
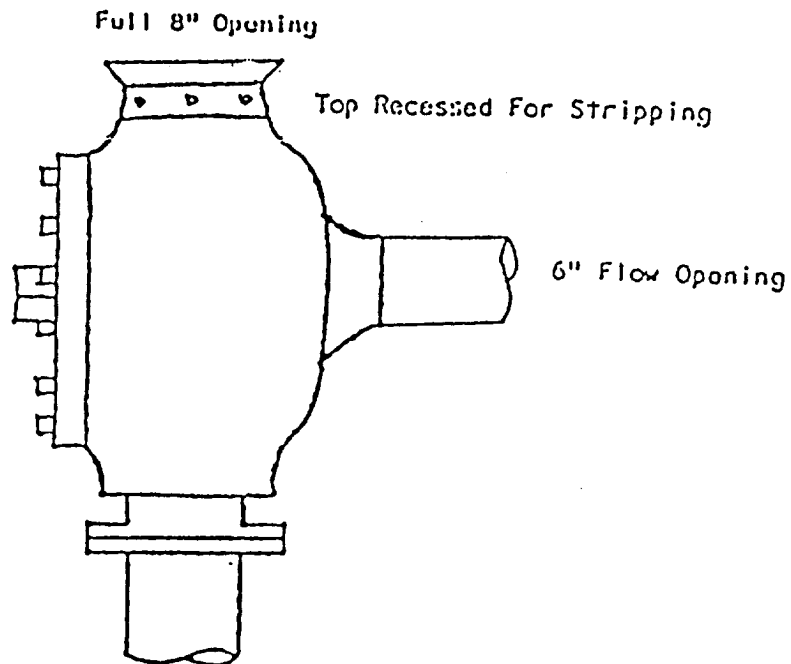


EXHIBIT C
DRILL PAD LAYOUT



ELK OIL COMPANY
No.1 Mohr Federal
SWSW Sec.30-8S-28E
Chaves County, N.M.
Federal Lease NM-78241

CABLE TOOL MASTER VALVE



Working Pressure - ± 1500 psi

Master Valve can be closed to shut off flow from well bore. It can be operated to close top and open flow side. Recessed top opening can be used for stripping.

EXHIBIT D
BLOW-OUT-PREVENTER

